

HB3348



98TH GENERAL ASSEMBLY

State of Illinois

2013 and 2014

HB3348

by Rep. Michael W. Tryon

SYNOPSIS AS INTRODUCED:

415 ILCS 135/45

Amends the Drycleaner Environmental Response Trust Fund Act. Provides that if an insurer sends a second notice to an owner or operator demanding immediate payment of a past-due premium for insurance services provided pursuant to the Act, the demand for payment must offer a grace period of not less than 30 days during which the owner or operator shall be allowed to pay any premiums due. Provides that if payment is made during that period, coverage under the Act shall not be terminated for non-payment by the insurer. Effective immediately.

LRB098 10606 JDS 40872 b

FISCAL NOTE ACT
MAY APPLY

A BILL FOR

1 AN ACT concerning safety.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Drycleaner Environmental Response Trust
5 Fund Act is amended by changing Section 45 as follows:

6 (415 ILCS 135/45)

7 Sec. 45. Insurance account.

8 (a) The insurance account shall offer financial assurance
9 for a qualified owner or operator of a drycleaning facility
10 under the terms and conditions provided for under this Section.
11 Coverage may be provided to either the owner or the operator of
12 a drycleaning facility. The Council is not required to resolve
13 whether the owner or operator, or both, are responsible for a
14 release under the terms of an agreement between the owner and
15 operator.

16 (b) The source of funds for the insurance account shall be
17 as follows:

18 (1) Moneys appropriated to the Council or moneys
19 allocated to the insurance account by the Council according
20 to the Fund budget approved by the Council.

21 (2) Moneys collected as an insurance premium,
22 including service fees, if any.

23 (3) Investment income attributed to the insurance

1 account by the Council.

2 (c) An owner or operator may purchase coverage of up to
3 \$500,000 per drycleaning facility subject to the terms and
4 conditions under this Section and those adopted by the Council.
5 Coverage shall be limited to remedial action costs associated
6 with soil and groundwater contamination resulting from a
7 release of drycleaning solvent at an insured drycleaning
8 facility, including third-party liability for soil and
9 groundwater contamination. Coverage is not provided for a
10 release that occurred before the date of coverage.

11 (d) An owner or operator, subject to underwriting
12 requirements and terms and conditions deemed necessary and
13 convenient by the Council, may purchase insurance coverage from
14 the insurance account provided that the drycleaning facility to
15 be insured meets the following conditions:

16 (1) a site investigation designed to identify soil and
17 groundwater contamination resulting from the release of a
18 drycleaning solvent has been completed. The Council shall
19 determine if the site investigation is adequate. This
20 investigation must be completed by June 30, 2006. For
21 drycleaning facilities that apply for insurance coverage
22 after June 30, 2006, the site investigation must be
23 completed prior to issuance of insurance coverage; and

24 (2) the drycleaning facility is participating in and
25 meets all requirements of a drycleaning compliance program
26 approved by the Council.

1 (e) The annual premium for insurance coverage shall be:

2 (1) For the year July 1, 1999 through June 30, 2000,

3 \$250 per drycleaning facility.

4 (2) For the year July 1, 2000 through June 30, 2001,

5 \$375 per drycleaning facility.

6 (3) For the year July 1, 2001 through June 30, 2002,

7 \$500 per drycleaning facility.

8 (4) For the year July 1, 2002 through June 30, 2003,

9 \$625 per drycleaning facility.

10 (5) For subsequent years, an owner or operator applying

11 for coverage shall pay an annual actuarially-sound

12 insurance premium for coverage by the insurance account.

13 The Council may approve Fund coverage through the payment

14 of a premium established on an actuarially-sound basis,

15 taking into consideration the risk to the insurance account

16 presented by the insured. Risk factor adjustments utilized

17 to determine actuarially-sound insurance premiums should

18 reflect the range of risk presented by the variety of

19 drycleaning systems, monitoring systems, drycleaning

20 volume, risk management practices, and other factors as

21 determined by the Council. As used in this item,

22 "actuarially sound" is not limited to Fund premium revenue

23 equaling or exceeding Fund expenditures for the general

24 drycleaning facility population. Actuarially-determined

25 premiums shall be published at least 180 days prior to the

26 premiums becoming effective.

1 (e-5) If an insurer sends a second notice to an owner or
2 operator demanding immediate payment of a past-due premium for
3 insurance services provided pursuant to this Act, the demand
4 for payment must offer a grace period of not less than 30 days
5 during which the owner or operator shall be allowed to pay any
6 premiums due. If payment is made during that period, coverage
7 under this Act shall not be terminated for non-payment by the
8 insurer.

9 (e-6) If an insurer terminates an owner or operator's
10 coverage under this Act and sends a written notice to the owner
11 or operator to inform him or her of the termination of that
12 coverage, that notice must include instructions on how to seek
13 reinstatement of coverage, as well as information concerning
14 any premiums or penalties that might be due.

15 (f) If coverage is purchased for any part of a year, the
16 purchaser shall pay the full annual premium. The insurance
17 premium is fully earned upon issuance of the insurance policy.

18 (g) The insurance coverage shall be provided with a \$10,000
19 deductible policy.

20 (h) A future repeal of this Section shall not terminate the
21 obligations under this Section or authority necessary to
22 administer the obligations until the obligations are
23 satisfied, including but not limited to the payment of claims
24 filed prior to the effective date of any future repeal against
25 the insurance account until moneys in the account are
26 exhausted. Upon exhaustion of the moneys in the account, any

1 remaining claims shall be invalid. If moneys remain in the
2 account following satisfaction of the obligations under this
3 Section, the remaining moneys and moneys due the account shall
4 be used to assist current insureds to obtain a viable insuring
5 mechanism as determined by the Council after public notice and
6 opportunity for comment.

7 (Source: P.A. 93-201, eff. 1-1-04.)

8 Section 99. Effective date. This Act takes effect upon
9 becoming law.